GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Home Department - Attachment of Moveable properties in respect of Akshaya Gold Farms & Villas India Ltd-Under section 3 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act,1999, (Andhra Pradesh Act No.17 of 1999)– Ad-interim orders –Issued.

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HOME (GENERAL.A2) DEPARTMENT

G.O.Ms.No.73 Dated: 10-06-2016

Read the following:-

1. G.O.Ms. No. 193, Home (General. B) Deptt, dated: 23-08-2001.
2. From the Additional Director General of Police, Crime Investigation Department, A.P., Hyderabad, Lr.No.1132/C-13/AP-CID/14, dated: 23-04-2016.

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O R D E R:

In the G.O 1st read above, Government have appointed the Additional Director General of Police, Crime Investigation Department or Inspector General of Police, C.I.D. as the case may be as "Competent Authority" under sub-section (1) of section 4 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Andhra Pradesh Act No.17 of 1999) to exercise control over the properties attached by the Government under section 3 and 8 of the said Act, to safeguard the interests of the depositors.

2. In the letter 2nd read above, the Additional Director General of Police, Crime Investigation Department, has stated that M/s. Akshaya Gold Farms and Villas India Ltd., established an office at Castle Shopping Complex, Door No.43-32-2, Dwarakanagar, Visakhapatnam City. Sri Bhogi Subramanyam was the M.D. of the company. M/s. Akshaya Gold Farms & Villas India Ltd., have done illegal business by collecting deposits from the gullible sections of society by promising them high rates of interest or a piece of farm land in lieu thereof, at the most affordable rate under different payment options. They collected deposits by way of periodical instalments with a promise of repayment with high rates of interest (20% simple interest) at the time of maturity and on the promise that the company will register a piece of land for the value equivalent to the money paid by the depositor. The company received huge amounts of money from the public through the agents and issued certificates stating that it was an advance amount for purchase of a piece of land in square feet/unit basis. There is no demarcation of land for the depositor and his deposits. Subsequently, they failed to return the deposited amounts to the public nor did they register the plots, as promised.

3. The Additional Director General of Police, Crime Investigation Department, has further stated that basing on a complaint of a victim, a case was registered in Vishakhapatnam City U/s 406, 420 IPC & Sec.5 of APPDFE Act, 1999, Sec.4,5,6 r/w 2(1), 3 of Prize Chits & Money Circulation Schemes (Banning) Act 1978 and took up investigation. Moreover, about 25 cases were registered by local police of various districts in Andhra Pradesh State against M/s Akshaya Gold Farms and

Villas India Ltd. Out of them, 20 cases were taken over by CID for further investigation and 5 cases are yet to be taken over.

4. The Additional Director General of Police, Crime Investigation Department, has also stated that during the course of investigation, 21 accused were identified and it is revealed that the accused **A.1-**Bogi Subrahmanyam, **A.5-**Mettela Srinivasa Rao, **A.6-**Atmakuri Ramesh Babu, **A.7-**Talluri Srinivasa Rao **A.8-** Dada Pullarao, **A.9-**Mungapati Sudhakar Rao and **A.11-**Devaki Harnadha Babu established the Akshaya Gold Real Estates & Developers Pvt. Ltd., with Corporate Identity Number (CIN) of company U70102AP2008PTC62128 on 08.12.2008 with Head office at D.No.47-14/9/9, 3rd floor, HDFC Bank upstairs, Potluri Manson, Dwaraka Nagar, Main road, Visakhapatnam city. Later, **A.20-**Devaki Srikanth Gupta joined as Director in the company.

5. Further, the accused **A.1 to A.10, A.16** enrolled the members as Marketing Executives (M.E) in a chain-link/pyramid system. Each Marketing Executive shall pay an amount of Rs.1,000/- for a piece of land of 180 Sq. ft. One Marketing Executive has to join 10 Marketing Executives (M.Es) on left and right side and then the first Marketing Executive (M.E) is promoted as Senior Marketing Executive. He will get binary commission for new members enrolled. The system will go up to Zonal Manager-1 to Zonal Manager-4. At some juncture, the chain-link breaks when it reaches a saturation point and then the management and the members, who joined in initial stages only are the beneficiaries and those who join at later stages lose their money invested in the company.

6. As per the information, the company has acquired Ac. 2354-92 Cents of land and when sold at the current market price, will yield an amount of Rs.67,75,38,743.00 (approx.). The company's Bank Balance of Rs.10.15 crores has been frozen. Thus, the company has Rs.77.90 crores worth of assets, whereas the company's liabilities to refund/return the deposits to public amount to Rs. 330 crores.

7. The Additional Director General of Police, Crime Investigation Department, has also stated that investigation clearly revealed that the accused and other directors, marketing executives of Akshaya Gold Farms & Villas India Ltd deliberately cheated the public by carrying out non-banking financial transactions and acting as Non-Banking Financial Company without obtaining any legal permission from RBI & SEBI, under the guise of promoting real estate, collected crores of rupees violating existing laws, misappropriated major part of the money by way of transferring an amount of Rs.8,44,558 to Akshaya Packaged Drinking Water Pvt. Ltd and an amount of Rs.33,09,803/- to Akshaya Gold Home Care Products Pvt. Ltd i.e. a total of Rs.41, 54,361/- to its sister concern companies and diverted the money to them.

8. Therefore the Additional Director General of Police, Crime Investigation Department,Andhra Pradesh, has requested the Government to issue ad-interim orders for attachment of moveable properties in respect of Akshaya Gold Farms & Villas India Limited.

9. In the circumstances reported by the Additional Director General of Police, Crime Investigation Department, Government have examined the matter carefully and hereby issue an ad-interim order under section 3 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999,for attachment of movable properties in respect of Akshaya Gold Farms & Villas India Ltd, as mentioned in the Annexure and also authorized the Addl. Director General of Police, Crime Investigation

Department, as Competent Authority so as to file an application before the concerned court to make the present order absolute.

10. The Additional Director General of Police, C.I.D., Andhra Pradesh, Hyderabad and Competent Authority is requested to take necessary further action in the matter accordingly as per the provisions of the said Act and the Rules made thereunder, following due procedure and send compliance report to the Government.

11. This order is available on internet and can be accessed at address www.goir.ap.gov.in.

(BY ORDER AND IN THE NAME OF THE GOVERNER OF ANDHRA PRADESH)

A.R.ANURADHA
PRINCIPAL SECRETARY TO GOVERNMENT.

To
The Director General of Police, AP, Hyderabad
The Additional Director General of Police, Crime Investigation Department, AP, Hyderabad
Copy to
The concerned shown in the annexure through Additional Director General of Police, CID/ Competent Authority, Hyderabad.
The O.S.D. to Dy. C.M (Home)
The P.S. to M (Finance)
The P.S. to Prl. Secretary to Government, Home Department.
The Law(C) Department
The SF/SC

//FORWARDED::BY ORDER//

SECTION OFFICER

Annexure(to G.O.Ms.No. 73., Home(Genl.A) Deptt,Dt: 10.06.2016)

Movable properties in Cr.No.328/2014 U/s.420, 406 IPC & 5 of A.P. Protection of Depositors of Financial Establishment Act 1999 & Sec.4, 5 and 6 r/w 2 (1), 3 of the Prize Chits an Money Circulation Schemes (Banning) Act 1978 of IV Town PS of Visakhapatnam.

Sl.No.	Description of article	Nos.
01.	Computers	31
02.	Key Boards	40
03.	Monitors	40
04.	AC machines	15
05.	Ceiling Fans	17
06.	Plastic Chairs	17
07.	Iron racks	13
08.	Sofa	1+2
09.	Old and New Printers	12
10.	Vinayaka Idole	01
11.	Big Size Printer	01
12	Samsung TV	01
13	Batteries	39
14.	Tables	06
15.	Servers	02
16.	Charging lights	02
17.	ID Scanner	02
18.	Mouses	15
19.	Land Line Phones	06
20	Computer wires bundle	03
21.	Wall Clock	02
22.	Fax machine	01
23.	Chairs	43
24.	Chairs	43
25.	Currency Notes Checker	01
26.	Cash Counting Machine	01
27.	Iron Locker	01
28.	Wooden Almyrah	01

A.R.ANURADHA
PRINCIPAL SECRETARY TO GOVERNMENT.

//FORWARDED::BY ORDER//

SECTION OFFICER